

1 the Commission should consider Verizon's cost of
2 interconnection to be more important than Cox's
3 cost of interconnection?

4 MR. D'AMICO: I don't think we are saying
5 that one is more important than the other. I think
6 we are saying that when we are hauling traffic
7 great distances, a CLEC is defining that as being
8 efficient, and we are defining that as, gee, the
9 costs are on our network, so we are not sure that's
10 very efficient, so.

11 MR. HARRINGTON: So your answer is no,
12 you're not saying that, you just think it's not
13 efficient?

14 MR. D'AMICO: Yes. There are situations
15 where by Verizon hauling it large distances that
16 that is not a network efficient model.

17 MR. HARRINGTON: Okay. I would like to
18 turn to Verizon Exhibit Number 4, your direct
19 testimony at pages 10 to 11.

20 MR. EDWARDS: Would this be a good time
21 for a short break?

22 MR. HARRINGTON: I only have a couple more

1 questions literally.

2 MR. DYGERT: I was hoping that we could
3 come to a reasonable stopping point in the next 15
4 or 20 minutes and be done without another break,
5 unless everyone wants to stay for another couple of
6 hours, in which case we are happy to accommodate
7 you.

8 MR. HARRINGTON: Cox understands the
9 notion of a reasonable stopping point.

10 MR. DYGERT: Okay.

11 MR. HARRINGTON: Have you found that
12 point?

13 MR. D'AMICO: Page 10?

14 MR. HARRINGTON: Verizon Exhibit 4, your
15 direct testimony at pages 10 and 11.

16 On those pages you discuss a pair of
17 Federal District Court cases that you say support
18 Verizon's proposal.

19 MR. D'AMICO: Yes, I see that.

20 MR. HARRINGTON: And the particular
21 language that you use there is where the CLEC is,
22 and I'm quoting here, choosing one POI per LATA to

1 maximize the cost to the ILEC to gain an unfair
2 competitive advantage, then you should not allow
3 that to happen. Have you found that language?

4 MR. D'AMICO: Yes.

5 MR. HARRINGTON: It's my understanding
6 that there is no allegation in this proceeding that
7 Cox, in fact, is choosing one POI per LATA for that
8 purpose. Have you provided any evidence to that
9 effect?

10 MR. D'AMICO: Nope. I don't think--I'm
11 not sure that we are accusing Cox of anything of
12 that nature.

13 MR. HARRINGTON: Right. So, to the extent
14 that you are not accusing Cox of anything of that
15 nature, and we are glad you're not, these cases
16 don't have any particular relevance, then, do they?

17 MR. D'AMICO: Well, again, this is citing
18 a situation that could happen.

19 MR. HARRINGTON: But it hasn't? Not with
20 Cox and not in Virginia; right?

21 MR. D'AMICO: I would say that's accurate.

22 MR. HARRINGTON: I have no further

1 questions on issue I. I would like to move the
2 admission of Cox Exhibits 3 through 7.

3 MR. DYGERT: Any objection from Verizon?

4 MR. EDWARDS: No objection.

5 MR. DYGERT: All right. Those Cox
6 Exhibits 3 through 7 are admitted into the record.

7 (Cox Exhibit Nos. 3 through
8 7 were admitted into
9 evidence.)

10 MR. HARRINGTON: We have a relatively
11 small number of questions on issue II, and also on
12 issue III. I think we should certainly be able to
13 get through issue II in your time frame.

14 MR. DYGERT: Is that acceptable?

15 MR. EDWARDS: Yes. I think--we have a
16 witness availability issue that perhaps needs to be
17 factored in here. Mr. Albert was supposed to
18 testify tomorrow morning in Rhode Island at 271
19 proceeding. That has been--I have been informed
20 this afternoon that other accommodations are being
21 made to put that off for a day so that he would be
22 available tomorrow assuming he could make the

1 flight tomorrow night to Rhode Island, and I'm not
2 sure what the latest one is, and I'm sure we could
3 do that tomorrow. The point of all that being that
4 we need to--and Mr. D'Amico needs to be in Rhode
5 Island also on Thursday, so maybe we just need to
6 sort of assess where we are and where this panel is
7 in the network architecture panel about whether we
8 could get through everything by the end of the
9 business day tomorrow.

10 MR. DYGERT: Mr. Albert and D'Amico on
11 other subpanels on network architecture besides
12 this first one?

13 MR. EDWARDS: Two, three, four, five, and
14 this is it.

15 MR. DYGERT: So they are all of--

16 MR. EDWARDS: That's correct.

17 MR. DYGERT: Are they on the intercarrier
18 compensation?

19 MR. EDWARDS: Mr. D'Amico is. Only for
20 one issue.

21 MR. DYGERT: It sounds like we should at
22 least go through Mr. Harrington's brief additional

1 questions at this point, and then see where we are.

2 MS. FAGLIONI: It might be helpful if we
3 could come back to him, but if the staff doesn't
4 mind sort of thinking about, and each of the
5 parties a quick survey before we leave at the end
6 of the day or even before we assess what time we
7 adjourn for this evening how much they might have
8 left on subpanel one versus how much might be left
9 in total on the rest of them, like UNEs, this first
10 subpanel has the heart of the cross and the meat of
11 the issues and the rest of the subpanels will move
12 more quickly but I would like to get a sense from
13 the other parties if the same is true. I know from
14 our standpoint of how much cross we would have left
15 on the rest of them, but we had to factor that in
16 before we decide to leave tonight.

17 MR. DYGERT: All right.

18 MR. HARRINGTON: We are distributing at
19 this point some language that is excerpted from the
20 Cox proposed Interconnection Agreement, which is
21 Exhibit 2 to the original Cox petition. It's
22 already a matter of record in this proceeding. We

1 do not propose to offer it as an exhibit. We are
2 just distributing it for the convenience of the
3 parties, and I will note for the record that it's
4 Cox's understanding this is all agreed to language.
5 This is not any language that is subject to
6 dispute.

7 Now, in issue II, I-2, Verizon's position
8 in part is that Cox has refused to permit Verizon
9 to self-provision or purchase from a third party
10 transport to the point where a handoff for the
11 interconnection; is that correct?

12 MR. D'AMICO: That's one of the issues,
13 yep.

14 MR. HARRINGTON: I agree that is not the
15 only issue.

16 I would like to you look at the language
17 of Section 4.2.2, which should be the top of the
18 first page. And also--that indicates that the
19 parties will establish interconnection points at
20 specific locations; is that correct?

21 MR. D'AMICO: Yes, sir.

22 MR. HARRINGTON: Please look on the next

1 page, Schedule 4.1. Is there more than one Cox
2 interconnection? How many Cox interconnection
3 points are shown there?

4 MR. D'AMICO: Looks like three.

5 MR. HARRINGTON: How many of them in the
6 Norfolk LATA?

7 MR. D'AMICO: Two.

8 MR. HARRINGTON: Now, I believe it was
9 Verizon's contention that it was inappropriate for
10 Cox to designate just one point of interconnection
11 in the LATA. Has Cox done that in Norfolk?

12 MR. D'AMICO: Not based on this schedule,
13 no.

14 MR. HARRINGTON: Is this--assuming that
15 I'm correct that this is agreed to language, this
16 was negotiated therefore between the parties.

17 MR. D'AMICO: Okay. This isn't the old
18 agreement; right?

19 MR. HARRINGTON: This is the new proposed
20 agreement, part of Exhibit 2 to the Cox petition.

21 MR. D'AMICO: So you're saying that this
22 language is not in dispute?

1 MR. HARRINGTON: Not to my understanding.
2 If Verizon's counsel wants to tell me otherwise...

3 MR. D'AMICO: Okay.

4 MR. HARRINGTON: Now, is there anywhere in
5 this language that it indicates that Verizon is
6 unable to purchase transport from--to the point of
7 interconnection that is required to use all of
8 Cox's facilities, or require use of Cox's
9 facilities for that?

10 MR. D'AMICO: I'm not sure that it would
11 be in this section.

12 MR. HARRINGTON: Is there somewhere else
13 that you could point me where you believe that
14 language occurs?

15 MR. D'AMICO: Normally it's earlier where
16 it talks about network architecture. Let's see if
17 I could dig it up here. You're the underlying
18 part, right?

19 MR. HARRINGTON: We're the underlying
20 part.

21 MR. D'AMICO: Under how about 4.3.4, it
22 says Verizon shall have the sole right and

1 discretion to specify any of the following methods
2 of interconnection to any of the Cox IPs. It has
3 A, entrance, B, physical virtual, or A--I guess
4 there are two A's.

5 Am I looking at Verizon proposed language?

6 MR. HARRINGTON: If you are looking in the
7 second column from the right, you're looking at
8 Verizon's proposed language.

9 MR. D'AMICO: Okay. So, I guess this is
10 the issue. Under small b, it says physical,
11 virtual or any kind of alternate a--alternative
12 co-location mode established separately at the Cox
13 IP, so that's where I would say that that allows
14 it, and if that isn't there, then I would say that
15 doesn't address it.

16 Does that answer your question?

17 MR. HARRINGTON: I think that answers the
18 question.

19 Now, if Cox were to purchase transport
20 from Verizon for interconnection purposes, would
21 those charges be distance-sensitive? Would Cox
22 have to pay a different amount depending on the

1 mileage for the transcript?

2 MR. D'AMICO: If there was interoffice
3 mileage involved, yes.

4 MR. HARRINGTON: Is there some reason why
5 Cox shouldn't be able to make the same kind of
6 charges to Verizon?

7 MR. D'AMICO: The context of this
8 provision is tied in with the GRIP. What this is
9 basically saying is that if Verizon is not able to
10 have GRIP language in the contract, that this is
11 another way for us to say, okay, if we don't have
12 anything to address this GRIP, if we bring our
13 traffic to a CLEC that is 50 miles away, we are
14 just going to be charged a non-distance-sensitive
15 entrance to a facility. So, in effect, on that
16 50 miles, we are not penalized for that situation.

17 MR. HARRINGTON: So Verizon doesn't want
18 to pay?

19 MR. D'AMICO: It's a control mechanism in
20 the event that there is no GRIP language. So, the
21 two are kind of related. I guess if we had GRIP or
22 VGRIP, this wouldn't be an issue.

6:00

1 MS. FARROBA: Are there any other
2 mechanisms in the language somewhere that we
3 haven't talked about? That you have in the
4 language in case the GRIPS or VGRIPS isn't adopted?

5 MR. D'AMICO: I would say this is directly
6 related and I guess potentially the reverse co-lo
7 because if we had VGRIP we would just be dropping
8 it off at a co-location arrangement in our wire
9 center, and again that issue wouldn't be, so you
10 think of the trilogy kind of a thing. They're
11 interrelated.

12 MS. FARROBA: Thanks.

13 MR. HARRINGTON: Now, if you were to turn
14 to Exhibit 4 again at page 30, Verizon Exhibit 4, I
15 apologize. At page 30. It states there that
16 Verizon in discussing its reciprocal co-location
17 request is willing to purchase transport at
18 reasonable rates.

19 Am I correct in understanding that Verizon
20 is willing to pay reasonable transport rates if it
21 gets co-location but is unwilling to do so if it
22 does not get co-location?

1 MR. ALBERT: This page 34?

2 MR. D'AMICO: Sentence two or one, two,
3 three, that area?

4 MR. HARRINGTON: Let me find the specific
5 reference. I wrote it down in my notes as opposed
6 to tabbing it in the book. It's the sentence that
7 begins on line one and continues to the end of the
8 paragraph. I will ask the question a little
9 differently. Is there some reason there's a
10 difference in position when you get co-location and
11 when you don't?

12 MR. D'AMICO: Yeah.

13 Again, like I said, if we don't have an
14 option to drop our traffic off at your IP, then in
15 effect we always have to buy transport. And so
16 reasonable rates for facilities becomes more
17 important.

18 MR. HARRINGTON: Now, you were here for
19 the earlier cross-examination. Did you hear the
20 Cox witness indicate that the maximum amount of
21 transport would be four miles from the nearest
22 serving wire center that Verizon has to Cox's

1 facilities?

2 MR. D'AMICO: I remember something. That
3 was mid-span meet?

4 MR. HARRINGTON: No. Accept for a moment
5 the representation that the maximum distance from
6 Cox's--from the last Verizon serving wire center to
7 Cox's facilities is four miles, and that's the most
8 Verizon would have to pay for. Do you think that's
9 an unreasonable amount, reasonable distance?

10 MR. D'AMICO: As it relates to the
11 mileage, that seems reasonable, but again, you're
12 still taking away the option of Verizon being able
13 to control its self-provision versus purchasing
14 transport.

15 MR. HARRINGTON: Now much--

16 MS. PREISS: Could I interrupt for a
17 second? Is your point about what's reasonable, are
18 there two elements here, the distance that and the
19 rate that Cox is charging you for the transport?

20 MR. D'AMICO: When I was speaking about
21 the triangle thing with the VGRIP, that's purely a
22 distance situation.

1 MS. PREISS: I'm talking about Cox's
2 proposal here. Cox just asked you whether or not
3 four mile--if the greatest, longest distance you
4 have to pay transport to cost is four miles, does
5 that sound reasonable, and I'm asking, doesn't that
6 depend in part on the rate for the transport?

7 MR. D'AMICO: Yes.

8 MS. PREISS: As I understood your
9 testimony a minute ago, the rate issue back becomes
10 less important if you have another option for
11 delivering the traffic to Cox; is that your
12 testimony?

13 MR. D'AMICO: That's correct, but as a
14 general practice, we view that the rates that we
15 pay should be in comparison to the rates that we
16 charge. I'm not sure if that's a separate issue.

17 MR. HARRINGTON: You may not--I'm sorry,
18 are you finished? You may not be the proper
19 witness to ask this question, and if so, I will ask
20 it again later of the proper witness.

21 But has Verizon ever indicated that Cox's
22 transport rates are unreasonable, to your

1 knowledge? Has it ever complained about them or
2 sought to have them changed?

3 MR. D'AMICO: I don't know if there's been
4 a specific problem.

5 MR. HARRINGTON: I will ask the same
6 question under issue I-9 later where I believe the
7 person testifying will probably have more
8 knowledge.

9 Finally, on this issue, it's correct that
10 Verizon has more than one option under the
11 agreement for interconnection with Cox that has the
12 mid-span meet option as well; isn't that right?

13 MR. D'AMICO: All right.

14 MR. HARRINGTON: And in fact Verizon has
15 mid-span meet with Cox?

16 MR. D'AMICO: Yes.

17 MR. HARRINGTON: That's where we are. So
18 Verizon is not forced to use this particular method
19 of interconnection either as a theoretical matter
20 under the agreement or as a practical matter in
21 terms of how the parties deal with each other?

22 MR. D'AMICO: Well, again I think the

1 mid-span you're looking at a snapshot, and what
2 this agreement is trying to address is future
3 situations as well as other CLECs adopting this
4 agreement.

5 MR. HARRINGTON: But the mid-span is not a
6 snapshot to the extent it's not a part of this
7 agreement. There are provisions in this agreement
8 for mid-span meets between the parties; correct?

9 MR. D'AMICO: Yes.

10 MR. HARRINGTON: So, under this agreement
11 as adopted by Verizon and Cox and adopted by any
12 future parties, the mid-span meet would be part of
13 the agreement as well?

14 MR. D'AMICO: Yes, but I guess for
15 whatever reason, Cox could say I'm operating in
16 this other LATA, and I do not want a mid-span meet.
17 I want to do something else, so again that's what
18 we are trying to address this situation.

19 MR. HARRINGTON: Do you know as between
20 the parties which one has been trying to get the
21 current mid-span meet augmented? Is it Cox or
22 Verizon?

1 MR. D'AMICO: I'm not close to that.

2 MR. HARRINGTON: Does the other witness
3 know? I know you're involved in the--

4 MR. ALBERT: No.

5 MR. HARRINGTON: I have no further
6 questions on this issue. I don't know if you want
7 to take the break now. It's just about 6:00 I
8 guess.

9 MR. DYGERT: I think what we would like to
10 do is during this break, which I think probably
11 would last about 15 minutes until 6:15, get all the
12 parties to think about what more they need from
13 these witnesses both on this subpanel of issues as
14 well as the remaining subpanels on network
15 architecture so we can get an idea of whether all
16 that will fit conveniently into what I understand
17 is the time that we have tomorrow. And that will
18 then help us decide whether we need to reconvene
19 this evening or just plan on being efficient and
20 quick tomorrow. And during the break we also will
21 do our best to come up with what we think the staff
22 time requirements will be.

1 So with that, why don't we take 15
2 minutes.

3 (Brief recess.)

4 MR. DYGERT: Folks, if we could start
5 again, we will be out by 7:00.

6 Mr. Harrington, please go ahead.

7 MR. HARRINGTON: Okay, I would like to
8 turn now to issue I-3, which is the reciprocal
9 co-location issue.

10 Actually, I only have a very small number
11 of questions here. First, does Verizon believe it
12 has any rights under the FCC's rules of the 1996
13 Act to reciprocal co-location?

14 MR. ALBERT: I'm pretty sure in testimony
15 we said that there was nothing legally that
16 requires the CLECs to allow us to co-locate.

17 On the other hand, there is nothing that
18 says they have to preclude us from co-locating,
19 either.

20 MR. HARRINGTON: So, from your perspective
21 CLEC provision of co-location to you is voluntary?

22 MR. ALBERT: It's an arbitratable item. I

1 mean, I think it's something that's fair and
2 reasonable.

3 MR. HARRINGTON: When you say arbitratable
4 item, you mean you could ask for it even if you
5 can't get it as in Cox could ask you to provide
6 interconnection on the Moon? Even though we know
7 we couldn't get it?

8 MR. ALBERT: Just what I'm saying, my
9 understanding is that according to the law, there
10 is not a requirement, a legal requirement on the
11 CLECs versus the co-locate. There is not a legal
12 requirement that says that they can't let us
13 co-locate, so what's left, I guess voluntary is
14 what's left.

15 MR. HARRINGTON: Right. And that connects
16 to what you say in Verizon Exhibit Number 4, the
17 nonmediated direct testimony on network
18 architecture on page 29, and this is towards the
19 end of your discussion of this issue on that page.
20 I'm afraid I do not have a line number for you
21 right now, but I will quote, "Verizon VA is not
22 asking this Commission to exercise its authority

1 under the Act to compel the petitioners to provide
2 Verizon VA with reciprocal co-location."

3 Is that an accurate quotation?

4 MR. ALBERT: That's correct.

5 MR. HARRINGTON: So, if Verizon is not
6 asking the Commission to exercise the authority,
7 what exactly is Verizon asking the Commission to
8 do?

9 MR. ALBERT: I would say that in our
10 Interconnection Agreements, what we are asking for
11 is to have the contractual ability to be able to
12 co-locate on a CLEC's plan.

13 MR. HARRINGTON: You're asking the
14 Commission to order the CLECs to do that?

15 MR. ALBERT: Yeah.

16 MR. KEHOE: Can I--so, specifically, with
17 regard to Cox, you propose contract language which
18 would require Cox to provide you with co-location.
19 Is your answer, if I understand it correctly, that
20 you're asking us to require that that contract
21 language be put into the interconnection agreement
22 between Verizon and Cox?

1 MR. ALBERT: Yes.

2 MR. KEHOE: Thank you.

3 MR. HARRINGTON: Now I want to turn
4 something you said during the earlier
5 cross-examination. I believe it was by WorldCom.
6 And you were talking about mid-span meets and the
7 extent to which having mid-span meets in place
8 would be an acceptable substitute for co-location,
9 and I will start off by saying I understand you
10 said it's not a perfect substitute, and I'm not
11 going to ask you about that, but you said two
12 different things at different points during the
13 cross-examination, and the first was that Verizon
14 was uncomfortable with language that was extremely
15 specific on mid-span needs because there was a need
16 to work things out, and I'm paraphrasing here, but
17 I think that's a fair paraphrase.

18 You did say that? There are a lot of
19 details you have to work out to make a mid-span
20 meet work?

21 MR. ALBERT: I did say there were a lot of
22 details and specifics involved in getting each

1 individual unique mid-span meet worked out.

2 MR. HARRINGTON: And for that reason you
3 were opposed to specific language under which
4 mid-span meet could be required or under which the
5 exact operational details of mid-span meet would be
6 put in the Interconnection Agreement?

7 MR. ALBERT: It was more that I had
8 problems with things that were extremely broad
9 platitudes that we would be required to operate
10 under, that in a number of cases would present
11 unique and particular problems was.

12 MR. HARRINGTON: But it is your testimony
13 that when you do mid-span meets, there are many
14 technical issues that have to be addressed to make
15 sure that the mid-span meet can operate properly is
16 good for both parties and the like?

17 MR. ALBERT: That's correct. That's part
18 of it.

19 MR. HARRINGTON: You can't really specify
20 all those things in the agreement?

21 MR. ALBERT: That as well as the
22 compensation issues which are also very unique to

1 the particulars where you are going to interconnect
2 and how.

3 MR. HARRINGTON: Later on in your
4 testimony you indicated that for a mid-span meet
5 provision to be at least ameliorate your concerns
6 about not having co-location you would have to have
7 a guarantee that you could get the mid-span meet;
8 is that correct? I believe I'm quoting here when I
9 say guarantee.

10 MR. ALBERT: Yeah, that that would be an
11 available option. I guess really more what I was
12 after is that we didn't want to be caught behind
13 the 8-Ball with the only option available to us
14 being to have to buy transport from the CLEC in
15 order to deliver our traffic, and without us having
16 any alternatives at all to potentially reduce those
17 costs being held hostage.

18 MR. HARRINGTON: And as earlier been
19 discussed, there is a mid-span meet provision in
20 the Cox agreement that's been agreed to by the
21 parties?

22 MR. ALBERT: That's correct.

1 MR. HARRINGTON: So, is that sufficient to
2 address your concerns about being forced into a
3 single interconnection arrangement and the need for
4 co-location, in your view?

5 MR. ALBERT: I'm not familiar with all the
6 language around what we agreed to with Cox, so I'm
7 not sure if it's something that--if it has to
8 be--I'm not sure all the particulars with it.

9 MR. HARRINGTON: What would be sufficient
10 in your view so that you would need co-location?

11 MR. ALBERT: I guess I would say agreement
12 that if that was method that Verizon wanted to use,
13 that we would then have that available to us to use
14 as opposed to if the CLEC wanted to co-locate at
15 our central office and then charge us for the
16 transport. And probably would to want have some
17 sort of sort of a cost cap on the overall cost of
18 the mid-span meet that would be busted up between
19 the two of us.

20 MR. HARRINGTON: It sounds like you would
21 want the mid-span meet to be at Verizon's option
22 solely.

1 MR. ALBERT: I think we are saying the
2 same thing. We would not want to be forced into a
3 single option, which means if we have two, then
4 potentially we could be forced into the other one.

5 MR. HARRINGTON: I have no further
6 questions on number three. I would like to move to
7 issue four. We are going to distribute some
8 exhibits as we did before, we are going to
9 distribute all the exhibits to I-4 at the same
10 time. And I would like to have these exhibits
11 marked for identification as Cox Exhibits 8, 9, 10,
12 11, 12, 13, 14, and 15. But they will mostly be
13 quick exhibits.

14 (Cox Exhibit Nos. 8 through
15 15 were marked for
16 identification.)

17 MR. HARRINGTON: Let's start with Cox
18 Exhibit Number 8. Could you look at the last
19 sentence of the reply to A. I'm sorry, the last
20 three sentences beginning the Bute Street Norfolk
21 tandem. So we are looking at exhausting that
22 tandem about in two years; is that correct?

1 MR. ALBERT: That's correct.

2 MR. HARRINGTON: Are there any other
3 tandems in the Norfolk LATA?

4 MR. ALBERT: There is another local tandem
5 in Harpersville, Newport News.

6 MR. HARRINGTON: Can CLECs interconnect to
7 that tandem?

8 MR. ALBERT: I'm not sure if we have any
9 there today or not.

10 MR. HARRINGTON: Do you permit them to
11 interconnect to that tandem?

12 MR. ALBERT: I don't know.

13 MR. HARRINGTON: Would there be some
14 reason you might not permit them to interconnect to
15 that tandem?

16 MR. ALBERT: If it was strictly an access
17 tandem and if all the local traffic was being
18 handled at Bute Street, that would be one reason.

19 But if it's a tandem that has local
20 traffic on it, then we interconnect with CLECs
21 added.

22 MS. FARROBA: Excuse me, do you know

1 whether it's an access or not?

2 MR. ALBERT: No, I'm the sure the type
3 there.

4 MS. FARROBA: The Commission would like to
5 know the answer to that. Thanks.

6 MR. HARRINGTON: Sorry.

7 I would like to direct your attention to
8 Cox Exhibit Number 10, please. This is a response
9 to a discovery request from Cox, and it indicates
10 that there are no traffic thresholds for
11 interexchange carriers for their interconnection in
12 the Verizon tariffs.

13 Is that correct?

14 MR. ALBERT: Yes, and in addition to that,
15 the other distinction is we don't have to pay
16 performance penalties for operational performance
17 for trunk locking to interexchange carriers either.

18 MR. HARRINGTON: We will get to that in a
19 minute.

20 MR. ALBERT: Okay.

21 MR. HARRINGTON: Also please look at Cox
22 Exhibit Number 14, and I think it has similar

1 information. I just want you to confirm it's
2 accurate. It says there is no trunk DS1 direct
3 trunking trigger in the access tariff.

4 MR. ALBERT: That's correct.

5 MR. HARRINGTON: Now, Verizon also
6 interconnects with Verizon South obviously through
7 preexisting interconnections. I would like you to
8 turn to Exhibit Number 9, please. It's Cox Exhibit
9 Number 9. That indicates that Verizon Virginia has
10 no documented guidelines to interconnection with
11 threshold traffic thresholds for interconnection
12 with Verizon Virginia but instead uses a blocking
13 level as its design criterion. Am I correct in
14 understanding that means that you do not use a DS1
15 threshold?

16 MR. ALBERT: No, I wouldn't say that's
17 what it means.

18 MR. HARRINGTON: I'm sorry, I should say,
19 does that mean that you do not require the DS1
20 threshold to be used between the two parties?

21 MR. ALBERT: When you say require--

22 MR. HARRINGTON: Require in the sense that

1 you would be putting provision in the
2 Interconnection Agreement with Cox.

3 MR. ALBERT: Where you're losing me is I'm
4 not sure how do we require it with ourselves. I
5 mean, we use the same local calling design
6 parameters. So the same DS1 threshold would apply
7 to the places where we would have direct trunking.

8 MR. HARRINGTON: Would you happen to know
9 prior to the merger with Verizon South whether you
10 did that?

11 MR. ALBERT: No, I wouldn't.

12 MR. HARRINGTON: I would like to turn next
13 really to the question of exactly the extent to
14 which CLECs are responsible for what you're
15 describing as tandem exhaust, and for that purpose
16 would you please look at Cox Exhibit Number 12.
17 And there are two tables in the response there. We
18 would like you to look at the first line of the
19 first table, which says what percentage of
20 in-service equipped trunks are directly connected
21 from Verizon tandems to CLECs, Verizon Virginia
22 tandems to CLECs.

1 What was the percentage listed there as of
2 August 1st of this year? It would be line A of the
3 first table in the far right-hand column.

4 MR. ALBERT: 16.6 percent.

5 MR. HARRINGTON: And what percent were
6 CMRS, the next line?

7 MR. ALBERT: 14.1 percent.

8 MR. HARRINGTON: And interexchange, the
9 next line?

10 MR. ALBERT: 14.1 percent.

11 MR. HARRINGTON: And Verizon Virginia the
12 line E?

13 MR. ALBERT: 46.7 percent.

14 The thing I think that's significant and
15 important to keep in mind with these tables and the
16 data, I mean when we are talking tandem exhaust, I
17 mean that's apparently where is the growth coming
18 from. The thing that drives the tandems to poop
19 out is the new and the additional trunks.

20 MR. HARRINGTON: But nevertheless as a
21 matter of the current usage of the tandems, is it
22 fair to say about one-sixth of the trunks in fact

1 almost exactly one-sixth of the trunks are
2 CLEC-related; is that right? In Verizon Virginia
3 territory?

4 MR. ALBERT: That's correct, and that's
5 also the one that's growing by the greatest leaps
6 and bounds. For instance, about a hundred percent
7 increase in Verizon Virginia in the year 2000.

8 MR. HARRINGTON: Haven't you had similar
9 rates of increase in the past from other carriers,
10 for instance, CMRS had vast increases in their
11 tandem interconnection in the late eighties and
12 early nineties?

13 MR. ALBERT: I'm not sure how comparable.
14 I'm not sure what kind of numbers growth that they
15 have had in the past. Obviously they have grown.

16 MR. HARRINGTON: Would you say it was in
17 rough terms equivalently quick growth if not
18 exactly the same?

19 MR. ALBERT: I don't know enough to say
20 that to paint them that closely. I really just
21 don't know what their growth rates were.

22 MR. HARRINGTON: I'm assuming Mr. D'Amico

1 does not know either?

2 MR. D'AMICO: No, I'm sorry, I do not.

3 MR. HARRINGTON: Okay. I would like to
4 turn to the exhibit that was marked as Verizon
5 Exhibit 48, and I'm hoping that someone will put
6 the chart back up for me. I apologize for not
7 doing that during the break. I intended to do so.

8 For the record, this is the first drawing
9 that was done during the previous cross-examination
10 testimony.

11 Now, you've talked earlier about
12 performance standards affecting an important part
13 of your concern here, and in looking at your chart
14 that you drew, you show the interconnection from
15 the Verizon tandem to the CLEC, and you have a
16 dollar sign above that connection which I believe
17 indicates your concern with performance standards;
18 is that correct?

19 MR. ALBERT: Yeah.

20 MR. HARRINGTON: You have penalties for
21 not meeting performance standards in that regard?

22 MR. ALBERT: That's correct. The

1 dedicated final trunk groups that go from Verizon's
2 tandem to the CLEC switch, we do have operational
3 performance penalties that will pay for the
4 blocking on those trunk groups.

5 MR. HARRINGTON: Now, under the agreement
6 that Verizon has with Cox right now, in fact under
7 the agreed to terms of the not yet existent new
8 agreement, is there anything that prevents Verizon
9 at any time from establishing its own direct trunk
10 groups from its end offices to Cox for the purpose
11 of terminating the traffic?

12 MR. ALBERT: I thought that's what you
13 guys were disagreeing with.

14 MR. HARRINGTON: I believe if you looked
15 at the language you would discover it's the other
16 direction we are talking about.

17 MR. ALBERT: Okay.

18 MR. HARRINGTON: Is Verizon obligated in
19 any circumstances to make that direct
20 interconnection from its end office to Cox for
21 traffic that Verizon is sending to Cox?

22 MR. ALBERT: We have to deliver the calls.

1 MR. HARRINGTON: Right. So if you found
2 the blocking to be too high for service to be
3 reliable, you would feel obligated to do that?

4 MR. ALBERT: Are you talking the ones with
5 the dollar sign?

6 MR. HARRINGTON: The ones with the dollar
7 sign, absolutely.

8 MR. ALBERT: We are not only obligated to
9 do it. We have to pay penalties if we do it at a
10 level of quality that's not equal to what we do for
11 ourselves with our own network.

12 MR. HARRINGTON: And doing that kind of
13 direct interconnection is one way to address your
14 both your blocking concerns and your tandem exhaust
15 concerns, correct, if you were to do such
16 interconnection from the Verizon end office to the
17 Cox switch that would address both issues?

18 MR. ALBERT: Yeah. Let me explain.

19 MR. HARRINGTON: I don't think you need to
20 explain, but if you would like to.

21 MR. ALBERT: I would.

22 Creating the direct end office trunk route

1 and then continuing to add capacity to that trunk
2 group so that as an end result approximately
3 90 percent to 80 percent of the busy hour calling
4 goes through here and so the 10 to 20 percent of
5 the busy hour calling goes from the tandem or I
6 should say goes from the end office up to the
7 tandem and over.

8 Being able to use that method of
9 operation, affects both the blocking and the
10 performance penalties we pay as well as the tandem
11 exhaust.

12 If you flip it all around exactly in the
13 opposite direction for the calls that the CLEC
14 would be placing to Verizon, there aren't
15 operational penalties associated there because for
16 calls from the CLEC to the Verizon, we don't have
17 the blocking performance standards because those
18 were engineered by the CLEC, but we do for the
19 calls going in that direction have the concern of
20 the tandem exhaust.

21 MR. HARRINGTON: If the agreement provided
22 that Verizon has the ability to put its own direct

1 trunks in the direction of Verizon to Cox, that is
2 for Verizon-originated traffic terminating at Cox,
3 would that address your concerns on this issue?

4 MR. ALBERT: It would address half of
5 them.

6 MR. HARRINGTON: It would address a
7 substantial portion of your concerns?

8 MR. ALBERT: No, I said half of them, and
9 that would be very nice--

10 MR. HARRINGTON: I will take half for now.

11 MR. ALBERT: So, make sure I'm
12 understanding properly, you're not objecting then
13 to us making the call on the traffic that's coming
14 from our customers calling you guys?

15 MR. HARRINGTON: It's my understanding of
16 the current language of the agreement.

17 MR. ALBERT: Okay.

18 MR. HARRINGTON: I would like you to turn
19 again to Cox Exhibit Number 8.

20 Now, in the Verizon direct testimony on
21 this issue, which is Exhibit 4 at page 38, your
22 testimony indicates that Verizon has added 24

1 tandems since 1996; is that correct?

2 MR. ALBERT: Yes.

3 MR. HARRINGTON: In response to this
4 discovery request, and I should add that was
5 limited to Verizon East; is that right? It was
6 through the Verizon East region which as I
7 understand it corresponds to the former Bell
8 Atlantic region and going back further to the
9 former Bell Atlantic and NYNEX regions?

10 MR. ALBERT: Right.

11 MR. HARRINGTON: In response to
12 interrogatory I-8 B we asked you how many tandem
13 switches were in operation in the Verizon East
14 territory as you used that term. What was your
15 response, Verizon's response? It's the last two
16 lines of the response.

17 MR. ALBERT: 90. 90 accessing the local
18 tandems.

19 MR. HARRINGTON: So, since 1996 you've
20 added 24 tandems and you had then 66 in 1996, will
21 you accept that math for the moment? 90 minus 24.

22 MR. ALBERT: Yes.

1 MR. HARRINGTON: Will you also accept for
2 the moment that the compound growth was 6.5 percent
3 or a little bit less than that actually subject to
4 check? That is the percentage of tandems you added
5 each year would be 6.5 percent of the previous
6 total?

7 MR. ALBERT: No, because what are you
8 assuming as your number of years?

9 MR. HARRINGTON: Over the five-year
10 period.

11 Will you accept it subject to check?

12 MR. ALBERT: Yeah, I wasn't aware that the
13 24 was over a five-year period.

14 MR. HARRINGTON: That was your testimony.

15 MR. ALBERT: I mean, I don't remember
16 that, but--

17 MR. HARRINGTON: Yes.

18 MR. ALBERT: Okay.

19 MR. HARRINGTON: I would like for to you
20 turn to Cox Exhibit 11. Was there a question from
21 counsel?

22 MR. EDWARDS: You represented his

1 testimony--you're inferring that he's saying that
2 since 1996 there had been 24 new tandems; is that
3 correct?

4 MR. HARRINGTON: That was my understanding
5 of his testimony.

6 MR. EDWARDS: Okay.

7 MR. ALBERT: What page was that on?

8 MR. EDWARDS: Page 38 is where he's
9 referred you to.

10 MR. HARRINGTON: At the top of the page it
11 says since 1996, and then says 24 new tandems have
12 been added later in the paragraph. If Verizon is
13 going to indicate that's not what the paragraph
14 means, I would like to know.

15 MR. ALBERT: Yeah, it doesn't. I think it
16 did. I'm not sure of the time frame on the 24. I
17 don't think it's a match with the '96, 1996.

18 MR. HARRINGTON: What time frame do you
19 think it might be?

20 MR. ALBERT: I would have to go back and
21 check.

22 MR. HARRINGTON: If the time frame were

1 ten years, doesn't that mean something different
2 than if it's five?

3 MR. ALBERT: But I'm thinking it's more
4 1997, 1998, 1999.

5 MR. HARRINGTON: 2000?

6 MR. ALBERT: No, it wouldn't be 2000.

7 MR. HARRINGTON: Isn't it difficult for
8 the Commission to conclude that there is a tandem
9 exhaust problem in the Verizon East territory if
10 the Commission doesn't know what time period over
11 which you had to add those 24 tandems to your
12 previously existing number?

13 MR. ALBERT: I didn't think so because to
14 me having to add 24 is a whole bunch.

15 MR. HARRINGTON: I'd like to you look at
16 Cox Exhibit Number 11, please. First page of the
17 exhibit is a chart showing the number of access
18 lines reported for the Verizon companies, the
19 Verizon East companies in various FCC statistics of
20 common carriers' reports. The relevant pages are
21 reproduced following.

22 Assuming for the moment, which I recognize

1 you may not agree with this assumption given we
2 don't know what years the tandems were added in,
3 that the growth rate shown that we discussed
4 earlier was accurate, is it fair to say that that
5 6.5 percent growth rate is not actually very
6 different from the Verizon access line growth rate
7 shown in the FCC's reports? Again all the math
8 subject to check.

9 MR. EDWARDS: Objection. Do you want me
10 to state the objection or do you want to withdraw
11 it because you know it's improper?

12 MR. HARRINGTON: Please state the
13 objection.

14 MR. EDWARDS: He's testified that he does
15 know; he believes the growth rate was over a
16 three-year period, and counsel in his question has
17 just ignored it and is assuming that his own
18 assumption with respect to his interpretation of
19 the testimony is correct, which is inconsistent
20 with the witness's testimony.

21 MR. HARRINGTON: I believe the witness has
22 not actually testified as to the time period, but I

1 will ask the question differently in any event.

2 Does Verizon experience growth in its
3 access lines according to this information?

4 MR. ALBERT: In Cox Exhibit 11?

5 MR. HARRINGTON: Yes.

6 MR. ALBERT: That seems a little high to
7 me for access line gain. Is this off of a Verizon
8 report?

9 MR. HARRINGTON: That's off an FCC report
10 based on data provided by Verizon to the FCC.

11 MR. ALBERT: Okay. If that's where it's
12 from, then that's obviously what the data is.

13 MR. HARRINGTON: So, would that access
14 line growth tend to affect traffic tandems? I
15 should say increase tandems traffic at tandems.

16 MR. ALBERT: I would say it's one of many,
17 many factors. The thing that really would have
18 more of an influence would really be how carriers
19 including Verizon are routing and designing the
20 routing of their call volumes.

21 MR. HARRINGTON: But plainly if Verizon's
22 traffic is increasing, it wouldn't be unreasonable

1 to expect that there would be increased tandem
2 deployment in the Verizon network?

3 MR. ALBERT: To some degree.

4 MR. HARRINGTON: I would like to move on
5 now to questions about the costs of replacing a
6 tandem.

7 Your rebuttal testimony, that would be
8 Verizon Exhibit 18 at page 22, indicates that it
9 costs somewhere in the neighborhood of \$10 million
10 to introduce a new tandem; is that correct?

11 MR. ALBERT: Yes.

12 MR. HARRINGTON: Does Verizon pay for
13 tandem switching when CLECs use it? Not getting
14 into the question of whether you think it's enough.

15 MR. ALBERT: Well, you say when CLECs use
16 it, you get reciprocal compensation.

17 MR. HARRINGTON: Right, and there is a
18 tandem switching element.

19 MR. ALBERT: Let me finish. We got
20 reciprocal compensation for the calls that the CLEC
21 customers are making to Verizon. For the calls
22 that are going from Verizon customers to the CLEC,

1 the calls that are going through the tandem the
2 other way, we don't get cash in the door for that.

3 MR. HARRINGTON: Not from the CLECs, your
4 customers are paying you for local service and your
5 tandem costs are included in those payments to you,
6 aren't they? You use them when you calculate the
7 rates you want to charge?

8 MR. ALBERT: I don't know how we come up
9 with our rates, but the overall end users pay us
10 and that covers the costs of their service.

11 MR. HARRINGTON: I would like to turn to
12 Cox Exhibit 15, please.

13 That exhibit shows that for the period
14 January 1 2000 through May 31st, 2001, Verizon
15 Virginia has billed something more than 10 and a
16 half million dollars for providing tandem switching
17 services to CLECs.

18 Does that number seem right to you? Do
19 you have any reason to think it's wrong?

20 MR. ALBERT: I think you're reading our
21 answer wrong. This says other carriers.

22 MR. HARRINGTON: I'm sorry, other

1 carriers.

2 MR. ALBERT: And also looks like it
3 includes switched access, so it sounds like to me
4 it's also got a bunch of IXC money in it.

5 MR. D'AMICO: Yes, it does have IXC money
6 in it.

7 MR. HARRINGTON: That's money that Verizon
8 received from other carriers for tandem switching,
9 and that's in addition to the amounts Verizon has
10 received from its end user customers for providing
11 local service and, for that matter, for providing
12 the access services of local customers pay for?

13 MR. D'AMICO: Yes.

14 MR. HARRINGTON: Now, under Section 252,
15 isn't Verizon entitled to recover its costs of
16 tandem switching that are imposed by providing
17 service to local exchange carriers, CLECs either as
18 a UNE or reciprocal compensation or switched access
19 under certain circumstances?

20 MR. EDWARDS: I just think the question is
21 outside of the scope of the testimony these
22 gentleman filed. They are not price or cost

1 witnesses.

2 MR. HARRINGTON: I would disagree; there
3 is in fact testimony on the point of whether
4 Verizon can recover its costs for putting new
5 tandems in.

6 MR. EDWARDS: I don't think they filed it.

7 MR. HARRINGTON: Oh, I think they did. I
8 believe you will find it in the rebuttal testimony.

9 MR. EDWARDS: If they could answer it,
10 that's fine.

11 MR. HARRINGTON: For reference, it appears
12 in the rebuttal testimony at page 23 in which they
13 indicate that the CLECs would object to paying for
14 it. And that's Exhibit 18.

15 So, is it your understanding that Verizon
16 is entitled under Section 252 to recover tandem
17 switching costs as a UNE or as reciprocal
18 compensation for local traffic and under other
19 provisions for tandem switching costs related to
20 access?

21 MR. D'AMICO: I don't know the answer.
22 I'm not a cost person.

1 MR. HARRINGTON: Do you have a basis,
2 then, for the statement in the rebuttal testimony
3 that CLECs would object to having to pay for tandem
4 replacement costs?

5 MR. ALBERT: My basis is I have
6 participated in past TELRIC proceedings. It's been
7 my experience there that ourselves and the CLECs
8 squabble over every rate, and we believe they are
9 not high enough. I'm sorry, CLECs believe they're
10 not low enough, and we believe they're not high
11 enough.

12 MR. HARRINGTON: So really thought that's
13 an argument not over what costs could be recovered
14 but over what the actual costs are?

15 MR. ALBERT: I think those involve both
16 aspects, what should be recovered and what's the
17 appropriate level of it.

18 MR. HARRINGTON: Okay. Just want to turn
19 to one more exhibit, Cox Exhibit 13, and I would
20 like to you look at the first table there, which
21 shows the percentage of in-service trunks correctly
22 connected to Cox switches of Verizon VA tandems,

1 Bute Street tandem in Norfolk, and the Turner Road
2 tandem in Richmond. You described earlier vast
3 100 percent increases in traffic.

4 Has Cox experienced the same levels of
5 increase in traffic over the last 20 months?

6 MR. ALBERT: This is a little hard for me
7 to figure out from here, exactly if you're talking
8 about how much has Cox's tandem trunks increased.
9 I mean, you got the percentage that's increasing,
10 but you also got the base that's increased a lot,
11 too.

12 MR. HARRINGTON: So, is your answer you
13 don't know?

14 MR. ALBERT: Correct.

15 MR. HARRINGTON: I have no further
16 questions on this issue. I would like to move the
17 admission of Exhibits 8 through--Cox Exhibits 8
18 through 15.

19 MR. DYGERT: Any objection from Verizon?

20 MR. EDWARDS: I have a question about 11.
21 The table on 11 is something Cox prepared?

22 MR. HARRINGTON: Yes, based on the

1 materials attached behind it, so that you could
2 check it.

3 MR. EDWARDS: No objection.

4 MR. HARRINGTON: We are done with this
5 panel.

6 MR. DYGERT: Cox Exhibits 8 through 15 are
7 admitted.

8 (Cox Exhibit Nos. 8 through
9 15 were admitted into
10 evidence.)

11 MS. DAILEY: Could we ask Cox to produce
12 the tariff that it files in Virginia that contains
13 the entrance facility rate that has been discussed
14 in today's proceeding and additional rates relevant
15 to that transport charge?

16 MR. HARRINGTON: Yes.

17 MR. DYGERT: At this point I think it
18 probably makes sense, we don't have a small group
19 of staff questions that we could get out of the way
20 in the next 10 or so minutes, so I think we will
21 just start tomorrow morning. The one thing--we
22 could go off the record at this point.

1 (Off the record.)

2 MS. FARROBA: I believe Verizon's
3 attorneys mentioned earlier that one of the
4 witnesses also was supposed to be on the
5 intercarrier compensation panel, have one issue
6 there. Which issue is that?

7 MR. EDWARDS: Do you remember the numbers,
8 Pete? 35 and 58. And one of those is related to
9 the network architecture 51 issue.

10 MS. FARROBA: One thing I guess maybe
11 because I'm not sure how this works for the
12 witnesses for the CLECs, but one thing we were
13 thinking about was maybe perhaps moving the
14 questioning on 35, then, and 58 up, and then doing
15 the rest of the intercarrier compensation issues
16 separately in order to sort of accommodate the
17 timing here, but it's something that you can all
18 look at this evening and talk about and see if that
19 will work rather than trying to get through the
20 entire intercarrier compensation panel tomorrow.
21 Although we will try to do that, but to the extent
22 that we can't, we thought that then the relevant

1 issues perhaps we could just pull those out and
2 move them up.

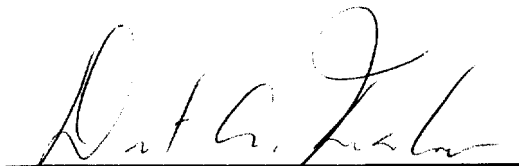
3 MR. EDWARDS: I would appreciate that,
4 thank you.

5 (Whereupon, at 7:05 p.m., the hearing was
6 adjourned until 9:30 a.m., the following day.)

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C E R T I F I C A T E

I, **DAVID A. KASDAN**, RMR, the Official Court Reporter for Miller Reporting Company, Inc., hereby certify that I recorded the foregoing proceedings; that the proceedings have been reduced to typewriting by me, or under my direction and that the foregoing transcript is a correct and accurate record of the proceedings to the best of my knowledge, ability and belief.



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